



# Myths and Misconceptions in the Automotive Sector

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The automotive industry is filled with many myths and misconceptions that you need to dispel. These myths have to do with the business side of things, along with the maintenance side as well. Overall, this means that the myths and misconceptions can exceed to both macro level, and micro level.

### **You get the best deals at Month's end**

This is a myth that many car owners believe in, however, it is simply not true. With manufacturers and new cars, there is a standard mark up of about 5%. Rebates and incentives that come along with these markups are as low as 0% special financing. Car dealerships therefore try to present the best deals regardless of the time of the month. This is largely because there is plenty of competition in the automotive industry. For this reason, they must make sure that they are presenting the most competitive prices as they can.

### **Dealerships don't provide money for trade-ins**

This is not the case since dealerships use the most accurate data available to them on that specific day. Therefore, this myth is mere misconception, and car dealers today can use high end technology to see how all the auction prices for the car. If you find out what the car is selling for at the auction on other dealers lots, then it is difficult for car dealers not to provide money for trade-ins.

It is worth noting that car dealerships will in fact consider the condition of your car when you are trying to resell the car. They make an evaluation of the price that they will have to pay to repair and maintain the car. On average, a car dealer can spend about 1200 dollars on repairs and small maintenance items such as tires filters and oil changes.

### **Credit Unions Offer Better Prices**

This is a myth and misconception that is swarming the minds of many people. However, this is not a false myth. Some credit unions do give better rates, while others don't. You do not want to shut yourself off to any other avenue only to save a couple bucks. Credit unions are great; however, car dealerships can have better relationship with the consumer. Ultimately, you can go with whatever way it feels best for you. However, you need to keep the avenue open to yourself.

### **Paying Cash will Land you A Better Deal**

This is another myth that needs to get busted and is simply not true. The way banks and dealerships work today, many times you must secure funding on the same day of the deal. This goes to show that it doesn't necessarily mean that cash deals will be better for you.

You shouldn't give any information to the dealership

Your best bet when visiting a dealership will be to be as direct and open as possible. By not telling someone what you are looking for, you will only delay your process. Therefore, it is incredibly important to be straight and to the point.

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